

# भारत का राजपत्र

## The Gazette of India

असाधारण

EXTRAORDINARY

भाग II—खण्ड 2

PART II—Section 2

प्राधिकार से प्रकाशित

PUBLISHED BY AUTHORITY

22 NOV 1971  
S. V. OF INDIA

सं. 47] नई विल्सो, सोमवार, मंविक्ष्याय 22, 1971/ग्रहायण 1, 1893  
No. 47] NEW DELHI, MONDAY, NOVEMBER 22, 1971/AGRAHAYANA 1, 1893

इस भाग में भिन्न पृष्ठ संख्या वी जारी है जिससे कि यह अलग संकलन के रूप में रखा जा सके।

Separate paging is given to this Part in order that it may be filed  
as a separate compilation.

### LOK SABHA

The following Bills were introduced in Lok Sabha on the 22nd November, 1971:—

BILL No. 139 of 1971

*A bill to provide for the levy of a tax on certain postal articles*

Be it enacted by Parliament in the Twenty-second Year of the Republic of India as follows:—

1. (1) This Act may be called the Tax on Postal Articles Act, 1971.

(2) It extends to the whole of India except the State of Jammu and Kashmir.

(3) It shall be deemed to have come into force on the 15th day of November, 1971.

2. In this Act, unless the context otherwise requires,—

Short title,  
extent  
and  
commencement.

Definitions.

(a) "money order" means a money order referred to in Chapter IX of the Indian Post Office Act, 1898;

(b) "phonogram" means a telegraphic message sent to or received from a telegraph office by a subscriber over the telephone;

(c) "postal article" means any letter, letter-card, book, pattern or sample packet, parcel or any other article or thing (not being a postcard or a newspaper transmissible by post as a registered newspaper) which is transmissible by post and for the transmission of which postage is chargeable under the Indian Post Office Act, 1898 and includes a money order, a phonogram and a telegram;

(d) "rules" means rules made under this Act;

(e) "telegram" means written matter intended to be transmitted by telegraph;

of 1898.

of 1898.

(f) "telegraph" shall have the same meaning as in clause (1) of section 3 of the Indian Telegraph Act, 1885;

13 of 1898.

(g) "telegraph office" includes a Government telegraph office and a licensed telegraph office, but does not include a military field telegraph office;

(h) words and expressions used but not defined in this Act and defined in the Indian Post Office Act, 1898, shall have the same meanings as in that Act.

6 of 1898.

Levy of tax.

3. (1) Subject to the provisions of this Act, there shall be levied and collected on all postal articles transmitted by post or through any telegraph office in the territories to which this Act extends a tax at the rate of five paise for each such article.

(2) The tax levied under sub-section (1) on any postal article shall be collected, as an addition to the postage, fees or charges payable in respect of such article, by the authority empowered under the Indian Post Office Act, 1898 or, as the case may be, the Indian Telegraph Act, 1885 to collect such postage, fees or charges:

6 of 1898.

13 of 1885.

Provided that where the postage, fees or charges payable in respect of a postal article is collected by means of postage stamps, the tax levied under sub-section (1) on such postal article shall be paid and such payment shall be indicated on such article by means of postage stamps issued under the Indian Post Office Act, 1898, and bearing the inscription "refugee relief" whether with or without any other design, picture or inscription.

6 of 1898.

(3) Save as otherwise expressly provided in sub-section (2) or in the rules—

(a) the provisions of the Indian Post Office Act, 1898 and the rules made thereunder shall, so far as may be, apply in relation to the tax levied under sub-section (1) on any postal article (not being a phonogram or telegram) as they apply in relation to the postage, fees or charges payable under that Act and those rules in respect of such postal article;

6 of 1898.

(b) the provisions of the Indian Telegraph Act, 1885 and the rules made thereunder shall, so far as may be, apply in relation to the tax levied under sub-section (1) on any postal article being a phonogram or telegram as they apply in relation to the postage, fees or charges payable under that Act and those rules in respect of such article.

13 of 1885.

Power to reduce or remit.

4. Where the Central Government is of opinion that it is necessary or expedient in the public interest so to do, it may, by notification in the Official Gazette, reduce or remit, whether prospectively or retrospectively, and subject to such conditions, if any, as it may specify in the notification, the tax payable under this Act in respect of any such postal articles or class of postal articles as may be specified in the notification.

Power to make rules.

5. (1) The Central Government may, by notification in the Official Gazette, make rules to carry out the purposes of this Act.

(2) Every rule made under this section shall be laid, as soon as may be after it is made, before each House of Parliament while it is in session

for a total period of thirty days which may be comprised in one session or in two successive sessions and if, before the expiry of the session in which it is so laid or the session immediately following, both Houses agree in making any modification in the rule or both Houses agree that the rule should not be made, the rule shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule.

18 of 1971.

6. (1) The Tax on Postal Articles Ordinance, 1971, is hereby repealed. Repeal  
and  
saving.  
(2) Notwithstanding such repeal, anything done or any action taken under the said Ordinance shall be deemed to have been done or taken under the corresponding provision of this Act.

## STATEMENT OF OBJECTS AND REASONS

In order to meet the expenditure on the relief of Bangla Desh refugees, it was agreed at the meeting of the Governors and Chief Ministers of States held at New Delhi on the 12th October, 1971, that both the Centre and the States would levy tax, duty or surcharge at appropriate rates on instruments of mass circulation falling within their respective fields of taxation. To give effect to this, the President promulgated *inter alia* the Tax on Postal Articles Ordinance, 1971, on the 22nd October, 1971.

2. The Ordinance provided for the levy, with effect from the 15th November, 1971, of a tax at the rate of five paise for each postal article on all postal articles including money orders, phonograms and telegrams but not including post cards and registered newspapers and for the collection of such tax as an addition to, and in the same manner as, the postage, fees, or other charges payable in respect of such articles.

3. The Bill seeks to replace the Ordinance mentioned above.

NEW DELHI:

*The 12th November, 1971.*

Y. B. CHAVAN.

## FINANCIAL MEMORANDUM

Clause 3 of the Tax on Postal Articles Bill, 1971, provides for the levy and collection of a tax on postal articles. Under sub-clause (2) thereof, the above tax shall be levied and collected as an addition to the postage, fees or charges payable in respect of such article by the authority empowered under the Indian Post Office Act, 1898 or the Indian Telegraph Act, 1885 to collect such postage, fees or charges. Under the proviso to the said sub-clause (2), it has been specified that where the postage, fees or charges payable in respect of a postal article is collected by means of postage stamps, the tax is also required to be collected by means of postage stamps bearing the inscription "refugee relief".

Though the administration of the tax will be achieved through the existing machinery of Posts and Telegraphs Department, certain amount of additional work will be involved and for this purpose, it will be necessary to augment the existing staff strength of the Posts and Telegraphs Department.

Further the printing of letter-cards, letters and stamps bearing the inscription "refugee relief" will also involve expenditure. It is estimated that the expenditure involved in respect of the additional staff and the printing will be as stated below:

	Recurring expenditure per annum	Non-recurring expenditure
	Rs.	Rs.
Additional Staff . . . . .	10 Lakhs	..
Printing :		
(a) Preparation of over printing plates, etc. . . . .	..	0.50 lakhs
(b) Printing and over printing of stamps, etc. . . . .	48 lakhs	..
TOTAL . . . . .	58 lakhs	0.50 lakhs

## MEMORANDUM REGARDING DELEGATED LEGISLATION

Clause 4 of the Bill seeks to enable the Central Government to reduce or remit, whether prospectively or retrospectively, the tax payable under the Act in respect of any postal article or class of postal articles. The reduction or remission of tax may be granted subject to such conditions as may be specified in a notification to be published in this behalf in the Official Gazette. As it is not possible to visualise in advance cases in which such reductions or remissions may be necessary and as the reductions or remissions can be granted only in the public interest, the delegation of power to grant reduction or remission is of a normal character.

2. Though the provisions of the Post Office Act, 1898, the Indian Telegraph Act, 1885, and the rules made thereunder are made applicable in relation to the collection of the tax on postal articles, there may be some matters of administrative detail and procedure relating to the tax for which separate provisions may be necessary. In view thereof, clause 5 of the Bill seeks to confer on the Central Government general rule-making powers on the same lines as in other Acts of Parliament. The delegation of legislative power is, therefore, of a normal character.

## BILL No. 133 OF 1971

*A Bill to extend the Prevention of Food Adulteration Act, 1954, to the Kohima and Mokokchung districts in the State of Nagaland*

Be it enacted by Parliament in the Twenty-second Year of the Republic of India as follows:—

1. This Act may be called the Prevention of Food Adulteration (Extension to Kohima and Mokokchung Districts) Act, 1971. Short title.

2. The Prevention of Food Adulteration Act, 1954, shall, as from the commencement of this Act, extend to the Kohima and Mokokchung districts in the State of Nagaland and shall come into force therein on such date as the Central Government may, by notification in the Official Gazette, appoint. Extension of Act 37 of 1954 to Kohima and Mokok-chung districts in Nagaland.

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**STATEMENT OF OBJECTS AND REASONS**

The State of Nagaland comprises the three districts of Tuensang, Kohima and Mokokchung. The Prevention of Food Adulteration Act, 1954 (37 of 1954), does not apply to the Kohima and Mokokchung districts, because at the time of passing of that Act, those districts formed the Naga Hills District which was mentioned in Part A of the Table below paragraph 20 of the Sixth Schedule to the Constitution. As no District Council had been constituted for the Naga Hills District, the administration of that district vested in the Governor of Assam and as under paragraph 19(1) (a) of that Schedule, where the administration of an area is vested in the Governor, no Act of Parliament could apply to that area unless the Governor by public notification so directs, the Prevention of Food Adulteration Act, 1954, did not apply *proprio vigore* to the Naga Hills District. The Act, however, applies to the Tuensang district which is the same as the Naga Tribal Area originally mentioned in Part B of the Table below paragraph 20 of the Sixth Schedule to the Constitution, there being no inhibition as to the applicability of any Act of Parliament to the Part B Tribal Area.

2. The Prevention of Food Adulteration Act, 1954, extends to the whole of India except the State of Jammu and Kashmir and the districts of Kohima and Mokokchung. Legislation for the extension of the Act to the State of Jammu and Kashmir is separately being undertaken.

3. To secure uniform application which would enable the Government of Nagaland to prevent the sale of adulterated and sub-standard food containing substances which are harmful and poisonous and thereby protect the health of the general public, it has been decided with the concurrence of the Government of Nagaland, to extend the Prevention of Food Adulteration Act, 1954, to the districts of Kohima and Mokokchung in the State of Nagaland. The Bill seeks to give effect to this object.

UMA SHANKAR DIKSHIT.

NEW DELHI;

*The 10th September, 1971.*

## BILL NO. 135 OF 1971

A Bill to provide for the prevention of melting or destruction of small coins, hoarding of small coins for the purpose of melting or destruction thereof, and for matters connected therewith or incidental thereto.

WHEREAS an acute shortage of small coins has been felt in the country and it is necessary, in the interests of the general public, to take steps to relieve such shortage;

Be it enacted by Parliament in the Twenty-second Year of the Republic of India as follows:—

1. (1) This Act may be called the Small Coins (Offences) Act, 1971.

Short title and duration.

(2) It shall remain in force for a period of three years.

2. In this Act, unless the context otherwise requires,—

Definitions.

(a) "mint" means a mint of the Government of India;

(b) "small coin" means any coin of the value of less than one rupee, which is legal tender under the Indian Coinage Act, 1906.

Prohibition on melting or destruction of small coins.

3. (1) No person shall—

- (a) melt or destroy any small coin, or
- (b) have in his possession, custody or control—
  - (i) any melted coin, whether in the molten state or in a solid state, or
  - (ii) small coins substantially in excess of his reasonable requirements in such circumstances as to indicate that he is having the possession, custody or control of such small coins for the purpose of melting or destroying such small coins.

*Explanation.*—For the purpose of determining the reasonable requirements of small coins of a person, due regard shall be had to—

- (i) his total daily requirements of small coins,
- (ii) the nature of his business, occupation or profession,
- (iii) the mode of his acquisition of small coins, and
- (iv) the manner in which, and the place at which, such small coins are being possessed, held or controlled by him.

(2) Whoever is found to be in the possession of any metal, which contains alloys in the same proportions in which they have been used in the manufacture of any small coin, shall be presumed, until the contrary is proved, to have contravened the provisions of sub-section (1).

(3) Nothing contained in sub-section (1) or sub-section (2) shall apply to the mint.

Penalty for contravention of section 3.

4. Whoever contravenes any provision of sub-section (1) of section 3 without any reasonable excuse, the burden of proving of which shall lie on such person, shall be punishable with imprisonment for a term of not less than three months but not more than five years.

Offences by companies.

5. (1) Where an offence against this Act has been committed by a company, every person who, at the time the offence was committed, was in charge of, and was responsible to, the company for the conduct of its business, shall be deemed to be guilty of the offence and shall be liable to be proceeded against and punished accordingly:

Provided that nothing contained in this sub-section shall render any person liable to punishment, if he proves that the offence was committed without his knowledge or that he had exercised all due diligence to prevent the commission of such offence.

(2) Notwithstanding anything contained in sub-section (1), where any offence under this Act has been committed by a company and it is proved that the offence has been committed with the consent or connivance of, or is attributable to, any neglect on the part of any director, manager, secretary or other officer of the company, such director, manager, secretary or other officer shall be deemed to be guilty of that offence and shall be liable to be proceeded against and punished accordingly.

*Explanation.—For the purposes of this section,—*

(a) "company" means any body corporate and includes a firm, society or other association of individuals; and

(b) "director",—

(i) in relation to a firm, means a partner in the firm,

(ii) in relation to a society or other association of individuals, means the person who is entrusted, under the rules of the society or other association, with the management of the affairs of the society or other association, as the case may be.

6. Notwithstanding anything contained in the Code of Criminal Procedure, 1898, offences against this Act shall be cognizable and bailable but shall not be compoundable.

Offences  
to be  
cognizable,  
bailable  
and not  
compound-  
able.

5 of 1898. 7. Notwithstanding anything contained in section 260 of the Code of Criminal Procedure, 1898, offences against this Act may be tried summarily by a Presidency Magistrate or a Magistrate of the first class.

Offences  
may be  
tried  
summarily.

8. Any small coin or metal in relation to which any offence against this Act has been committed shall be forfeited to Government.

Forfeiture.

9. Nothing in the Probation of Offenders Act, 1958, shall apply to any offence against this Act.

Provisions  
of Act 20  
of 1958  
not to  
apply to  
offences  
under this  
Act.

15 of 1971. 10. The Small Coins (Offences) Ordinance, 1971, is hereby repealed. Repeal.

## STATEMENT OF OBJECTS AND REASONS

For some time past, Government's attention has been drawn to the reports about inconvenience to the public caused by shortage of small coins. An analysis of the possible causes of this shortage has revealed that main cause of the shortage has been the diversion from circulation of small coins in certain alloys for purposes of melting to take advantage of their metallic values which had risen beyond the face value of the coins. Government have taken various steps to increase the production of small coins in the Mints and to change the alloy of the coins now being minted such that there is no risk of their being diverted for melting whether now or in the future, but the further depletion of the small coins in circulation through diversion of coins minted in earlier years had to be stopped. Having regard to the urgency of the matter, Government promulgated the Small Coins (Offences) Ordinance, 1971, on 22nd October, 1971 making melting of small coins and hoarding such coins with an intention of melting an offence in law which they were not previously. The present Bill is intended to replace the Small Coins (Offences) Ordinance, 1971. As the present shortage is expected to be only a temporary phenomenon, it is proposed that the enactment might have a validity period of three years only.

Y. B. CHAVAN.

NEW DELHI;  
*The 6th November, 1971.*

## BILL No. 138 OF 1971

*A Bill to provide for the levy of a tax on railway fares.*

BE it enacted by Parliament in the Twenty-second Year of the Republic of India as follows:—

1. (1) This Act may be called the Railway Passenger Fares Act, 1971. Short title and

(2) It shall be deemed to have come into force on the 22nd day of commencement. October, 1971.

2. In this Act, unless the context otherwise requires,—

Definitions.

(a) "fare" means the total amount of all charges of whatever nature payable by a passenger or group of passengers in respect of his or their carriage, and includes—

(i) haulage charges for supply of carriages of particular types;

(ii) empty haulage charges on tourist cars and saloons;

(iii) charges for pilot engines; and

(iv) charges for dining cars attached to special trains, but does not include—

(i) the tax payable under this Act;

(ii) terminal taxes, pilgrim taxes and tolls on bridges;

(m) reservation charges (including reservation charges for sleeping accommodation); and

(iv) hire, detention and stabling charges in respect of passenger traffic booked in reserved carriages and special trains;

(b) "passenger" means any person travelling on a railway in any description or class of train or carriage on payment of his fare, whether at full rates or at concessional rates;

(c) "railway" and "railway administration" have the meanings respectively assigned to them in the Indian Railways Act, 1890.

9 of 1890.

Levy of  
tax on  
passen-  
ger  
fares.

3. (1) Subject to the provisions of this Act, there shall be levied and collected on fares paid by passengers carried by any railway in India, whether by itself or in conjunction with any other mode of transport or in conjunction with any railways in any adjacent country, a tax at the rate specified in that behalf in the Schedule:

Provided that no tax shall be levied under this sub-section on fares paid by passengers for journeys commencing on or before the 14th day of November, 1971.

(2) The tax levied under sub-section (1) shall be collected by the railway administration as an addition to the fares and the railway administration shall have all the powers and remedies for the recovery thereof as though the same were a rate or fare which the railway administration is empowered to levy under the Indian Railways Act, 1890.

9 of 1890.

Rules  
for com-  
puting  
tax on  
passen-  
ger  
fares.

4. In computing the tax payable under this Act, the following rules off to the nearest multiple of Five paise two and one half paise and over being counter as Five paise and less than two and one half paise shall apply, namely:—

*Rule 1.*—The tax leviable shall, wherever necessary, be rounded off to the nearest multiple of five paise, two and one half paise and over being counted as five paise and less than two and one half paise being disregarded.

*Rule 2.*—In the case of return tickets, the tax shall be computed separately with reference to each of the journeys covered by the return ticket as if the said journeys had been performed on separate tickets.

*Rule 3.*—In the case of tickets issued from or to out-agencies or city booking offices, the tax shall be leviable only in respect of the fare attributable to the actual journey by railway.

Power  
to  
exempt.

5. Where the Central Government is of opinion that it is necessary or expedient in the public interest so to do, it may, by notification in the Official Gazette, exempt, either in whole or in part, and either absolutely or subject to such conditions as it may specify in the notification, any passengers or class of passengers from the tax leviable under this Act.

6. During each financial year ending on or after the 31st day of March, 1972, there shall be paid to each State (not being a Union territory) such sum of money as bears to the net proceeds of the tax collected under this Act during that year in all the territories of India the same proportion as the aggregate of the fares collected in that State during that year bears to the aggregate of the fares collected in all the territories of India during that year.

7. (1) The Central Government may, by notification in the Official Gazette, make rules to carry out the purposes of this Act.

Distribu-  
tion of  
proceeds  
of tax.  
Power  
to make  
rules.

(2) In particular, and without prejudice to the generality of the foregoing power, rules so made may—

(a) regulate the collection by or on behalf of the railway administration of the tax levied under this Act and provide for the authority to which, and the time and manner in which, the tax shall be paid;

(b) prescribe the form of the returns to be submitted by any authority collecting the tax and the particulars to be contained therein and the manner in which it is to be verified;

(c) provide for the time at which, and the manner in which, any payments to States under this Act are to be made, for the making of adjustments between one financial year and another and for any other incidental or ancillary matters relating to such payments.

(3) In making rules under this section, the Central Government may direct that a breach of any of those rules shall be punishable with fine which may extend to one thousand rupees for each such breach.

(4) Every rule made under this section shall be laid, as soon as may be after it is made, before each House of Parliament while it is in session for a total period of thirty days which may be comprised in one session or in two successive sessions and if, before the expiry of the session in which it is so laid or the session immediately following, both Houses agree in making any modification in the rule or both Houses agree that the rule should not be made, the rule shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule.

8. (1) The Railway Passenger Fares Ordinance, 1971, is hereby repealed.

Ord.  
17 of 1971.

Repeal  
and  
saving.

(2) Notwithstanding such repeal, anything done or any action taken under the said Ordinance shall be deemed to have been done or taken under the corresponding provision of this Act.

## THE SCHEDULE

(See section 3)

<i>Description of traffic</i>	<i>Rate of tax</i>
1. Passengers travelling by railway otherwise than on railway season tickets or mileage coupons—	
(a) where the fare is less than one rupee	Nil
(b) where the fare is one rupee or more	5% of the fare.
2. Passengers travelling by railway on season tickets	5% of the value of each season ticket.
Provided that where the season ticket for travel by any particular class is for journey between two places in respect of which the fare for a single journey ticket of the same class is less than one rupee, the tax payable shall be nil.	
3. Passengers travelling by railway on mileage coupons	5% of the cost of the coupons or five paise, whichever is more.

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### STATEMENT OF OBJECTS AND REASONS

In order to meet the expenditure on the relief of Bangla Desh refugees, it was agreed at the meeting of the Governors and Chief Ministers of States held at New Delhi on the 12th October, 1971, that both the Centre and the States would levy such additional taxes as would be necessary and that the revenues so realised by States would be placed by the States at the disposal of the Centre for the said purpose. To give effect to this the President promulgated *inter alia* the Railway Passenger Fares Ordinance, 1971, on the 22nd October, 1971.

2. The Ordinance provided for levy of a tax on railway fares paid by passengers for journeys commencing on or after 15th November, 1971 and for the collection thereof by the Railway administration as an addition to the fares. In compliance with article 269 of the Constitution, the Ordinance provided for distribution of the net proceeds of the tax between States on the principle that the share of a State in such proceeds should bear to such proceeds the same proportion as the total proceeds from the sale of railway tickets in such State bears to the all-India total proceeds.

3. The Bill seeks to replace the Ordinance mentioned above.

NEW DELHI;

*The 12th November, 1971.*

Y. B. CHAVAN.

## FINANCIAL MEMORANDUM

Clause 3 of the Bill provides for the levy and collection of a tax on fares paid by passengers carried by any railway in India. For that the railways will require extra staff for segregating the tax element from the total passenger earnings. Besides there will be other items of expenditure of a contingent and miscellaneous nature. The total recurring expenditure in respect of these items and the extra staff is estimated to be about Rs. 8 lakhs per annum on present expectations.

The Bill does not involve any expenditure of a non-recurring nature.

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**MEMORANDUM REGARDING DELEGATED LEGISLATION**

Clause 5 of the Bill seeks to empower the Central Government to grant exemption from tax either in whole or in part, and either absolutely or subject to such conditions as it may specify in a notification to be published in the Official Gazette. The exemption from tax either in whole or in part may be granted only if the Central Government is satisfied that it is necessary so to do in the public interest. As it is not possible to visualise in advance the cases in which such exemption may be necessary and as the exemption can be granted only in the public interest, the delegation of power to grant exemption is of a normal character.

2. In the case of railways administered by companies, it is necessary to regulate the collection of taxes under this law by means of rules made by Central Government. Further, the tax may also have to be collected by other authorities on behalf of Railways. Clause 7 of the Bill, therefore, seeks to empower the Central Government to make rules providing for the regulation of the collection of the taxes, the authority to which the taxes so collected may be paid, the form in which returns should be made and the like. As these pertain to matters of detail or procedure, the delegation of legislative power is of a normal character.

## BILL No. 140 of 1971

*A Bill to provide for the levy of a tax on inland air travel*

Be it enacted by Parliament in the Twenty-second Year of the Republic of India as follows:—

1. (1) This Act may be called the Inland Air Travel Tax Act, 1971.

Short title,  
extent and  
commencement.

(2) It extends to the whole of India except the State of Jammu and Kashmir.

(3) It shall be deemed to have come into force on the 30th day of October, 1971.

2. In this Act, unless the context otherwise requires,—

Definitions.

~~22 of 1934.~~

(a) "aircraft" means any aircraft as defined in section 2 of the Aircraft Act, 1934, which is used (whether exclusively or not for the carriage of passengers;

(b) "carrier" means a corporation, company or other person undertaking the carriage of a passenger on an inland journey;

(c) "fare" means the total amount of all charges of whatever nature (including charges, if any, for provision of food or accommodation) payable to the carrier by or on behalf of a passenger in respect of his inland journey;

(d) "inland journey" in relation to a passenger, means—

(i) his journey from any place within the territories to which this Act extends to any other place within the said territories; or

(ii) if his journey is from or to any place in the territories to which this Act extends to or from a place in the State of Jammu and Kashmir, so much of his journey as falls within the said territories,

but does not include, in either case, a journey which is performed on a through international ticket and which precedes, or forms part of a series of journeys preceding, or follows, or forms part of a series of journeys following, a journey to or from a place outside India on the same ticket.

*Explanation.*—For the purpose of determining the portion of journey referred to in sub-clause (ii) falling within the territories to which this Act extends, the journey referred to therein shall be deemed to terminate at, or, as the case may be, commence from, Amritsar irrespective of whether the aircraft by which the passenger is travelling over-flies or halts at Amritsar;

(e) "passenger" means any person travelling on board an aircraft on an inland journey on payment of his fare whether at full rates or concessional rates.

**Inland air travel tax.** 3. (1) Subject to the provisions of this Act, there shall be levied and paid to the Central Government in respect of every inland journey by a passenger a tax (hereinafter referred to as the inland air travel tax) at the rate of five per cent. of the fare for such journey:

Provided that no such tax shall be levied under this sub-section in respect of any journey commencing on or before the 14th day of November, 1971.

(2) In accordance with rules made under this Act, the inland air travel tax shall be collected by the carrier undertaking the carriage of the passengers, or, where the tickets or other relevant documents for such carriage are not issued by such carrier, by the carrier to whom such tickets or other documents relate, as an addition to the fares payable by such passengers and shall be paid to the Central Government.

**Rules for computing inland air travel tax.** 4. In computing the tax leivable under this Act, the following rules shall apply, namely:—

Rule 1.—The tax leivable shall, wherever necessary, be rounded off to the nearest rupee, fifty paise and over being counted as one rupee and less than fifty paise being disregarded.

**Rule 2.**—In the case of a journey by a passenger from a place in the territories to which this Act extends to a place in the State of Jammu and Kashmir, the tax leviable shall be computed as if such journey were up to Amritsar.

**Rule 3.**—In the case of a journey by a passenger from a place in the State of Jammu and Kashmir to a place in the territories to which this Act extends, the tax leviable shall be computed as if such journey were from Amritsar.

**5.** Where the Central Government is of opinion that it is necessary or Power to expedient in the public interest so to do, it may, by notification in the ~~Official Gazette~~ exempt. Official Gazette, exempt, either in whole or in part, and either absolutely or subject to such conditions as it may specify in the notification, any passengers or class of passengers from the tax leviable under this Act.

**6.** Any person contravening the provisions of this Act or of any rule made under this Act shall be liable to a penalty not exceeding one thousand rupees for every such contravention and such penalty may be adjudged by such authority and in such manner as may be specified in the rules made under this Act. **Penalty.**

**7.** No suit or other legal proceeding shall lie against the Central Government and no suit, prosecution or other legal proceeding shall lie against any officer or authority of that Government for anything in good faith done or intended to be done in pursuance of this Act or the rules made thereunder. **Protection of action taken in good faith.**

**8. (1)** The Central Government may, by notification in the Official Gazette, make rules for carrying out the purposes of this Act. **Power to make rules.**

(2) In particular, and without prejudice to the generality of the foregoing power, such rules may provide for—

(a) the returns and other particulars and information which carriers shall furnish, the authorities to whom, and the intervals at which, such returns, particulars and information shall be furnished;

(b) the assessment and collection of the inland air travel tax including the charges for collection payable to carriers, the authorities by whom adjudication of penalty and other functions under this Act are to be discharged, the issue of notices requiring payment of such tax, the manner in which such tax shall be payable, the recovery of any such tax due to the Central Government in the same manner as an arrear of land revenue or in any other manner, and the procedure for claiming refund of any amount paid under this Act;

(c) the powers of authorities referred to in clause (b) to enter, inspect and search any aircraft or any premises of a carrier and to examine any tickets, books of account, returns or other documents for the purpose of carrying out any duty imposed on any such authority by or under this Act;

Provided that the provisions of the Code of Criminal Procedure, 1898, relating to searches shall, so far as they are applicable, apply <sup>5 of 1898.</sup> in relation to searches under rules made under this clause;

(d) the procedure for adjudication of penalty;

(e) appeal and revision in the case of any order made under this Act, the manner in which and the time within which appeal may be preferred or application for revision may be made and the fees payable therefor;

(f) any other matter which is to be, or may be, provided for by rules under this Act.

(3) Every rule made under this Act shall be laid as soon as may be after it is made, before each House of Parliament while it is in session for a total period of thirty days which may be comprised in one session or in two successive sessions, and if, before the expiry of the session in which it is so laid or the session immediately following, both Houses agree in making any modification in the rule or both Houses agree that the rule should not be made, the rule shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule.

Repeal  
and  
saving.

9. (1) The Inland Air Travel Tax Ordinance, 1971, is hereby repealed. <sup>Ord. 19 of 1971.</sup>

(2) Notwithstanding such repeal, anything done or any action taken under the said Ordinance shall be deemed to have been done or taken under the corresponding provisions of this Act.

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### STATEMENT OF OBJECTS AND REASONS

In order to meet the expenditure on the relief of Bangla Desh refugees, it was agreed at the meeting of the Governors and Chief Ministers of States held at New Delhi on the 12th October, 1971, that both the Centre and the States would levy such additional taxes as would be necessary. To give effect to this the President promulgated *inter alia* the Inland Air Travel Tax Ordinance, 1971, on the 30th October, 1971.

2. The Ordinance provided for levy of a tax on fares paid by passengers for every inland air journey commencing on or after 15th November, 1971, and for the collection thereof, as an addition to the fares, by the carriers undertaking the carriage of the passengers and payment to the Central Government.

3. The Bill seeks to replace the Ordinance mentioned above.

NEW DELHI;

Y. B. CHAVAN.

*The 15th November, 1971.*

## FINANCIAL MEMORANDUM

Clause 3(2) of the Bill provides that the Inland Air Travel Tax shall be collected from the passengers by the carriers and paid to the Central Government. Clause 8(2)(b) of the Bill provides for the making of rules regarding the collection charges payable to carriers.

2. Having regard to the fact that the tax is expected to yield Rs. 2.50 crores in a financial year, it is estimated that a sum of about Rs. 12.50 lakhs may be paid as collection charges to the carriers in a year. Further some augmentation of staff (in the Secretariat and field formations), offices and establishment of Customs and Central Excises Departments, which will be in charge of the administration of the law, will be required for carrying out the work in connection with the tax. This will involve a recurring expenditure of about Rs. 1.10 lakhs per year on staff and a non-recurring expenditure of Rs. 40,000 on offices and establishment of the said Departments.

3. The total recurring expenditure to be incurred per annum in connection with the tax is thus estimated to be Rs. 13.60 lakhs (12.50 lakhs towards collection charges and 1.10 lakhs towards augmentation of staff). The total non-recurring expenditure to be incurred will be, as stated earlier, Rs. 40,000.

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### MEMORANDUM REGARDING DELEGATED LEGISLATION

Clause 5 of the Bill seeks to empower the Central Government to grant exemption from tax either in whole or in part, and either absolutely or subject to such conditions as it may specify in a notification to be published in the Official Gazette. The exemption from tax either in whole or in part may be granted only if the Central Government is satisfied that it is necessary so to do in the public interest. As it is not possible to visualise in advance the cases in which such exemption may be necessary and as the exemption can be granted only in the public interest, the delegation of power to grant exemption is of a normal character.

2. Clause 8 of the Bill empowers the Central Government to make rules to carry out the purposes of the Act. The matters in respect of which such rules may be made, *inter alia*, relate to the returns and other particulars and information to be furnished by carriers, the assessment and collection of the tax including the charges for collection payable to carriers, the specification of authorities competent to function, the procedure for adjudication of penalties, recovery of amounts due by way of tax, the power of authorities in respect of entry, inspection and search and appeal and revision and similar matters. As these pertain to matters of procedure and administrative details, the delegation of legislative power is of a normal character.

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S. L. SHAKDHER,  
*Secretary.*